

MD OF GREENVIEW NO. 16

Financial Statements

For the Year Ended December 31, 2020

INDEPENDENT AUDITORS' REPORT

To the Reeve and Council of MD of Greenview No. 16

Opinion

We have audited the accompanying financial statements of MD of Greenview No. 16 ("Greenview"), which comprise the statement of financial position as at December 31, 2020, and the statement of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Greenview as at December 31, 2020, the results of its operations and accumulated surplus, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Greenview in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Greenview's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate Greenview or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Greenview's financial reporting process.



Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Greenview's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Greenview's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Greenview to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta
June 8, 2021

**MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL REPORTING**

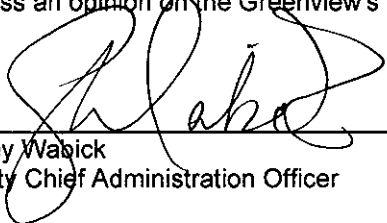
To the Reeve and Council of MD of Greenview No. 16

The integrity, relevance and comparability of the data in the accompanying financial statements are the responsibility of management.

The financial statements are the responsibility of management, prepared in accordance with Canadian public sector accounting standards. They necessarily include some amounts that are based on the best estimates and judgments of management.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of financial statements.

Metrix Group LLP, Chartered Professional Accountants, have been appointed by Greenview Council to express an opinion on the Greenview's financial statements.



Stacey Wabick
Deputy Chief Administration Officer

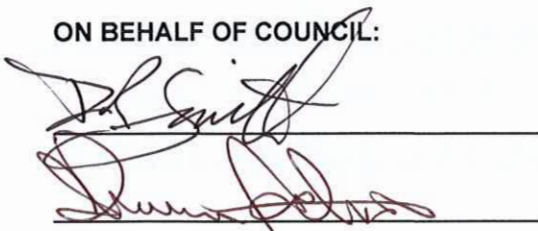


Ed Kaemingh
Director of Corporate Services

MD OF GREENVIEW NO. 16
Statement of Financial Position
As at December 31, 2020

	2020	2019
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 58,933,795	\$ 82,121,025
Receivables (Note 3)	13,957,225	16,442,961
Land held for resale	602,000	602,000
Loans receivable (Note 4)	36,388	143,305
Investments (Note 5)	<u>125,666,607</u>	<u>122,031,732</u>
	<u>199,196,015</u>	<u>221,341,023</u>
LIABILITIES		
Accounts payable and accrued liabilities	15,985,402	14,954,736
Deferred revenue (Note 6)	3,272,436	4,672,664
Long-term debt (Note 7)	2,844,361	3,278,571
Landfill closure and post-closure liability (Note 11)	<u>6,000,000</u>	<u>3,500,000</u>
	<u>28,102,199</u>	<u>26,405,971</u>
NET FINANCIAL ASSETS	<u>171,093,816</u>	<u>194,935,052</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 9)	380,209,521	358,466,866
Inventories for consumption (Note 10)	9,107,728	7,813,432
Prepaid expenses and deposits	<u>1,244,978</u>	<u>1,047,426</u>
	<u>390,562,227</u>	<u>367,327,724</u>
ACCUMULATED SURPLUS (NOTE 12)	<u>\$561,656,043</u>	<u>\$562,262,776</u>
Contingencies (Note 16)		

ON BEHALF OF COUNCIL:



MD OF GREENVIEW NO. 16
Statement of Operations and Accumulated Surplus
For the Year Ended December 31, 2020

	2020 (Budget) (Note 22)	2020 (Actual)	2019 (Actual)
REVENUE			
Net taxation (Schedule 2)	\$ 90,099,864	\$ 89,823,515	\$ 91,686,183
Government transfers for operating (Schedule 3)	1,070,273	11,332,825	2,072,583
User fees and sale of goods	5,072,240	6,035,984	6,017,751
Oil well drilling taxes	5,000,000	6,081,638	9,100,776
Interest and investment income	2,790,220	4,441,948	5,215,789
Franchise and concession contracts	644,000	664,867	644,014
Penalties and costs on taxes	370,000	621,103	646,899
Other	285,850	578,306	619,868
Licenses and permits	223,600	99,985	289,709
Fines	20,000	35,903	37,281
	<u>105,576,047</u>	<u>119,716,074</u>	<u>116,330,853</u>
EXPENSES (including amortization)			
Transportation services	84,325,680	73,038,991	45,666,347
Recreation and cultural services	18,448,462	16,618,233	16,668,412
Administrative services	15,970,381	14,578,072	13,462,779
Planning and development services	6,433,991	5,354,498	6,458,047
Waste management services	2,375,368	5,023,246	2,336,597
Protective services	4,914,878	4,745,791	3,872,076
Utilities and environmental services	4,657,513	4,741,612	4,231,347
Public health and welfare services	2,173,897	1,542,793	1,993,300
Council and other legislative services	1,263,869	1,033,722	1,124,026
	<u>140,564,039</u>	<u>126,676,958</u>	<u>95,812,931</u>
ANNUAL OPERATIONAL SURPLUS (DEFICIT)	<u>(34,987,992)</u>	<u>(6,960,884)</u>	<u>20,517,922</u>
OTHER REVENUE (EXPENSE)			
Government transfers for capital (Schedule 3)	6,600,000	3,609,879	7,145,641
Restructuring (Note 23)	-	2,752,710	54,597,287
Gain (loss) on disposal of tangible capital assets	5,000	(8,438)	(262,118)
	<u>6,605,000</u>	<u>6,354,151</u>	<u>61,480,810</u>
ANNUAL SURPLUS (DEFICIT)	<u>(28,382,992)</u>	<u>(606,733)</u>	<u>81,998,732</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>562,262,776</u>	<u>562,262,776</u>	<u>480,264,044</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$533,879,784</u>	<u>\$561,656,043</u>	<u>\$562,262,776</u>

MD OF GREENVIEW NO. 16
Statement of Changes in Net Financial Assets
For the Year Ended December 31, 2020

	2020 (Budget) (Note 22)	2020 (Actual)	2019 (Actual)
ANNUAL SURPLUS (DEFICIT)	\$ (28,382,992)	\$ (606,733)	\$ 81,998,732
Acquisition of tangible capital assets	(81,126,615)	(46,372,615)	(42,367,945)
Tangible capital assets acquired - restructuring (Note 23)	-	(2,752,710)	(54,573,720)
Proceeds on disposal of tangible capital assets	-	742,982	177,135
Amortization of tangible capital assets	-	26,631,250	22,821,974
Loss on disposal of tangible capital assets	-	8,438	262,118
	<u>(81,126,615)</u>	<u>(21,742,655)</u>	<u>(73,680,438)</u>
Use (acquisition) of inventory for consumption	-	(1,294,296)	1,900,053
Use (acquisition) of prepaid expenses	-	(197,552)	(173,780)
	<u>-</u>	<u>(1,491,848)</u>	<u>1,726,273</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(109,509,607)	(23,841,236)	10,044,567
NET FINANCIAL ASSETS, BEGINNING OF YEAR	194,935,052	194,935,052	184,890,485
NET FINANCIAL ASSETS, END OF YEAR	\$ 85,425,445	\$171,093,816	\$194,935,052

MD OF GREENVIEW NO. 16
Statement of Cash Flows
For the Year Ended December 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Annual surplus (deficit)	\$ (606,733)	\$ 81,998,732
Non-cash items included in annual surplus (deficit):		
Loss on disposal of tangible capital assets	8,438	262,118
Amortization of tangible capital assets	26,631,250	22,821,974
Amortization of bonds	(1,008,124)	254,153
Loss (gain) on sale of investments	704,192	(9,226)
Restructuring (Note 23)	(2,752,710)	(51,656,577)
	22,976,313	53,671,174
Change in non-cash working capital balances:		
Accounts receivable	2,485,736	4,001,295
Prepaid expenses	(197,552)	(166,355)
Accounts payable and accrued liabilities	1,030,666	(2,609,563)
Deferred revenue	(1,400,228)	1,074,034
Inventories for consumption	(1,294,296)	1,906,839
Land held for resale	-	102,000
Landfill closure and post-closure liability	2,500,000	45,393
	26,100,639	58,024,817
CAPITAL ACTIVITIES		
Proceeds on disposal of tangible capital assets	742,982	177,135
Acquisition of tangible capital assets	(46,372,615)	(42,367,945)
Purchase of investments	(63,698,100)	(15,732,446)
Proceeds of sale of investments	60,367,157	12,515,095
Loan principal payments received	106,917	155,982
	(48,853,659)	(45,252,179)
FINANCING ACTIVITIES		
Long-term debt principal repayments	(434,210)	(434,910)
INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(23,187,230)	12,337,728
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	82,121,025	69,783,297
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 58,933,795	\$ 82,121,025

MD OF GREENVIEW NO. 16
Schedule of Equity in Tangible Capital Assets
For the Year Ended December 31, 2020

Schedule 1

	2020	2019
BALANCE, BEGINNING OF YEAR	\$356,253,865	\$284,786,428
Acquisition of tangible capital assets	46,372,615	42,367,945
Tangible capital assets acquired - restructuring (Note 23)	2,752,710	54,573,720
Cost of tangible capital assets disposed of	(1,872,594)	(599,282)
Accumulated amortization of tangible capital assets disposed of	1,121,174	160,029
Amortization of tangible capital assets	(26,631,250)	(22,821,974)
Local improvement taxes receivable repayments	(37,786)	(35,979)
Long-term capital debt repayments	434,210	434,910
Long-term capital debt assumed - restructuring (Note 23)	-	(2,611,932)
BALANCE, END OF YEAR	<u>\$378,392,944</u>	<u>\$356,253,865</u>
Equity in Tangible Capital Assets is Comprised of the Following:		
Tangible capital assets (Note 9)	\$380,209,521	\$358,466,866
Long-term capital debt	(2,844,361)	(3,278,571)
Local improvement taxes receivable	1,027,784	1,065,570
	<u>\$378,392,944</u>	<u>\$356,253,865</u>

MD OF GREENVIEW NO. 16
Schedule of Property Taxes and Other Taxes
For the Year Ended December 31, 2020

Schedule 2

	2020 (Budget) (Note 22)	2020 (Actual)	2019 (Actual)
TAXATION			
Linear property taxes	\$ 62,517,484	\$ 62,457,063	\$ 62,458,477
Real property taxes	59,298,039	58,987,163	58,105,430
	<u>121,815,523</u>	<u>121,444,226</u>	<u>120,563,907</u>
REQUISITIONS			
Alberta School Foundation Fund	29,102,531	27,084,388	25,196,317
Seniors foundations	1,638,462	3,452,643	2,726,604
Designated industrial property	895,356	939,608	878,012
Other school boards	79,310	144,072	76,791
	<u>31,715,659</u>	<u>31,620,711</u>	<u>28,877,724</u>
NET MUNICIPAL PROPERTY TAXES	<u>\$ 90,099,864</u>	<u>\$ 89,823,515</u>	<u>\$ 91,686,183</u>

MD OF GREENVIEW NO. 16
Schedule of Government Transfers
For the Year Ended December 31, 2020

Schedule 3

	2020 (Budget) (Note 22)	2020 (Actual)	2019 (Actual)
TRANSFERS FOR OPERATING			
Provincial government	\$ 784,506	\$ 11,168,230	\$ 1,345,205
Local governments	285,767	164,595	727,378
	<u>1,070,273</u>	<u>11,332,825</u>	<u>2,072,583</u>
TRANSFERS FOR CAPITAL			
Provincial government	6,600,000	3,609,879	7,145,641
TOTAL GOVERNMENT TRANSFERS	<u>\$ 7,670,273</u>	<u>\$ 14,942,704</u>	<u>\$ 9,218,224</u>

MD OF GREENVIEW NO. 16
Schedule of Segmented Information
For the Year Ended December 31, 2020

Schedule 4

	Administrative Services	Recreation and Cultural Services	Community Services	Utilities and Transportation Services	Environmental Services	All Other	Total
REVENUE							
Taxation	\$ 2,968,554	\$ 13,802,848	\$ 4,671,806	\$ 52,309,162	\$ (272,023)	\$ 16,343,168	\$ 89,823,515
All other	-	-	-	-	-	12,523,750	12,523,750
User fees and sale of goods	560,083	604,889	107,794	1,143,687	3,380,019	239,512	6,035,984
Government transfers	10,582,531	-	123,907	-	-	626,387	11,332,825
	<u>14,111,168</u>	<u>14,407,737</u>	<u>4,903,507</u>	<u>53,452,849</u>	<u>3,107,996</u>	<u>29,732,817</u>	<u>119,716,074</u>
EXPENSES							
Contracted and general services	4,763,314	295,070	857,801	24,018,616	678,131	4,670,542	35,283,474
Transfers to other governments and local boards and agencies	-	8,589,637	894,921	20,000,000	-	618,118	30,102,676
Amortization	466,904	2,210,496	450,991	19,586,142	1,633,616	2,283,101	26,631,250
Salaries, wages, and benefits	6,204,052	3,409,981	3,052,704	6,226,719	1,455,438	3,884,851	24,233,745
Materials, goods, and supplies	774,248	567,192	(66,761)	2,290,435	425,465	454,418	4,444,997
Utilities	453,092	632,451	78,406	453,397	409,007	278,497	2,304,850
Repairs and maintenance	343,667	913,406	13,136	462,578	61,297	152,490	1,946,574
Bad debts - provision for allowances	1,044,173	-	-	-	-	-	1,044,173
Insurance	528,622	-	-	1,104	-	3,631	533,357
Interest on long term debt	-	-	73,300	-	78,658	(96)	151,862
	<u>14,578,072</u>	<u>16,618,233</u>	<u>5,354,498</u>	<u>73,038,991</u>	<u>4,741,612</u>	<u>12,345,552</u>	<u>126,676,958</u>
NET REVENUE (DEFICIT)	<u>\$ (466,904)</u>	<u>\$ (2,210,496)</u>	<u>\$ (450,991)</u>	<u>\$ (19,586,142)</u>	<u>\$ (1,633,616)</u>	<u>\$ 17,387,265</u>	<u>\$ (6,960,884)</u>

See accompanying notes to financial statements.

10.

MD OF GREENVIEW NO. 16
Schedule of Segmented Information
For the year ended December 31, 2019

Schedule 5

	Administrative Services	Recreation and Cultural Services	Community Services	Utilities and Transportation Services	Environmental Services	All Other	Total
REVENUE							
Taxation	\$ 11,741,873	\$ 14,343,445	\$ 5,758,732	\$ 26,648,632	\$ 469,333	\$ 32,724,168	\$ 91,686,183
All other	-	-	-	-	-	16,554,336	16,554,336
User fees and sale of goods	516,770	635,204	81,143	1,997,458	2,349,100	438,076	6,017,751
Government transfers	745,735	-	168,359	-	-	1,158,489	2,072,583
	<u>13,004,378</u>	<u>14,978,649</u>	<u>6,008,234</u>	<u>28,646,090</u>	<u>2,818,433</u>	<u>50,875,069</u>	<u>116,330,853</u>
EXPENSES							
Contracted and general services	4,430,588	160,592	1,061,794	17,954,199	357,782	2,472,823	26,437,778
Salaries, wages, and benefits	5,318,826	2,275,419	3,522,982	6,667,546	1,500,785	3,665,203	22,950,761
Amortization	458,401	1,689,763	449,813	17,020,257	1,412,914	1,790,826	22,821,974
Transfer to other governments and local boards and agencies	-	11,152,946	736,286	-	-	659,758	12,548,990
Materials, goods, and supplies	852,368	340,305	403,520	2,605,929	327,624	420,305	4,950,051
Utilities	345,995	441,626	80,914	562,111	458,820	230,714	2,120,180
Repairs and maintenance	391,935	607,761	9,994	856,305	108,064	82,457	2,056,516
Bad debts - provision for allowances	1,213,246	-	102,000	-	-	-	1,315,246
Insurance	451,420	-	-	-	-	3,460	454,880
Interest on long term debt	-	-	90,744	-	65,358	453	156,555
	<u>13,462,779</u>	<u>16,668,412</u>	<u>6,458,047</u>	<u>45,666,347</u>	<u>4,231,347</u>	<u>9,325,999</u>	<u>95,812,931</u>
NET REVENUE (DEFICIT)	<u>\$ (458,401)</u>	<u>\$ (1,689,763)</u>	<u>\$ (449,813)</u>	<u>\$ (17,020,257)</u>	<u>\$ (1,412,914)</u>	<u>\$ 41,549,070</u>	<u>\$ 20,517,922</u>

See accompanying notes to financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are the representations of the Municipal District of Greenview No. 16 management prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Greenview are as follows:

(a) Reporting Entity

The financial statements include the assets, liabilities, revenue and expenses and accumulated surplus of the reporting entity (Greenview). The reporting entity is comprised of all organizations and enterprises accountable for the administration of their financial affairs and resources to Greenview and which are owned or controlled by Greenview.

Greenview is a member of the Greenview Regional Waste Management Commission ("the Commission"), an organization that operates as a separate government reporting entity jointly controlled by Greenview, the Town of Valleyview, and the Town of Fox Creek. The Commission financial results have not been consolidated with Greenview's financial statements.

The Municipal Library Board (the "Board"), is a governing body responsible for the administration of all libraries within Greenview. The Board is controlled by Greenview Council but its financial results have not been consolidated with Greenview's financial statements.

The schedule of taxes levied includes operating requisitions for education and seniors foundations that are not part of Greenview's reporting entity.

(b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and / or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

(c) Cash and Cash Equivalents

Cash and cash equivalents consist of items that are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value, and have a maturity of one year or less at acquisition.

(d) Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

(e) Loans Receivable

Loans receivable are recorded at cost. A valuation allowance for uncollectible amounts is recorded in the period in which collectability is assessed to be uncertain. Interest revenue is recognized as revenue in the year it is earned.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Inventories for Consumption

Inventories for consumption consist of sand and gravel, parts, chemicals, and other, of which the cost is recorded at the lower of cost or net realizable value with cost determined by the average cost method.

(g) Tax Revenue

Property tax revenue is based on market value assessments determined in accordance with the *Municipal Government Act*. Tax rates are established annually. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal.

Construction and borrowing costs associated with local improvement projects are recovered through annual special property tax assessments during the period of the related borrowings. These levies are collectible from property owners for work performed by Greenview and are recognized as revenue in the year they are levied.

(h) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	25 - 50 years
Equipment	5 - 20 years
Automotive equipment	3 - 20 years
Engineered structures	
Roadways	10 - 20 years
Wastewater systems	50 years
Water systems	25-50 years
Other engineering	5 - 50 years

Greenview regularly reviews its tangible capital assets for sold or scrapped assets, at which time the cost and the related accumulated amortization are removed from the accounts and any resulting gain or loss on disposal is reported. No amortization is recorded in the year of disposition.

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

Works of art for display are not recorded as tangible capital assets but are disclosed.

(i) Over-levies and under-levies

Over-levies and under-levies arise from the difference between the actual levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisitions tax-rates in the subsequent year are adjusted for any under-levies or under-levies of the prior year.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Government Transfers

Government transfers are recognized in the financial statements as revenue in the period in which the events giving rise to the transfer occurred, providing the transfers are authorized, any eligibility criteria have been met by the municipality, and reasonable estimates of the amounts can be determined.

(k) Pension Expenses

Selected employees of Greenview are members of the Local Authorities Pension Plan (LAPP), a multi-employer defined benefit pension plan. The trustee of the plan is the Alberta Treasurer and is administered by a Board of Trustees. Since the plan is a multi-employer plan, it is accounted for as a defined benefit plan and, accordingly, Greenview does not recognize its share of the plan surplus or deficit.

(l) Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

(m) Land Held for Resale

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing costs and leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as tangible capital assets under their respective function. Proceeds from sales of land held for resale are recorded as revenue in the period in which the events giving rise to the transfer occurred, providing the transfers are authorized, the eligibility criteria have been met and reasonable estimates of the amounts can be made.

(n) Measurement Uncertainty

The preparation of the financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Such estimates include the provisions for uncollectible accounts receivable, provision for amortization of tangible capital assets, gravel quantities, accrued liabilities for contaminated sites and the fair value of contributed tangible capital assets. Actual results could differ from those estimates.

(o) New Accounting Standards not yet Adopted

Effective for fiscal years beginning on or after April 1, 2022, *PS 3280 Asset Retirement Obligations* provides guidance on how to account for and report liabilities for retirement of tangible capital assets.

Effective for fiscal years beginning on or after April 1, 2023, *PS 3400 Revenue* provides guidance on how to account for and report revenue, and specifically, it addresses revenue arising from exchange transactions and unilateral transactions.

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Notes to Financial Statements
For the Year Ended December 31, 2020

2. CASH AND CASH EQUIVALENTS

	2020	2019
Temporary investments	\$ 57,000,000	\$ 67,399,132
Operating account	1,932,660	14,719,238
Cash on hand	1,135	2,655
	<u>\$ 58,933,795</u>	<u>\$ 82,121,025</u>

Temporary investments consist entirely of a high interest savings account. 2019 consists of \$62,740,367 of Guaranteed Investments Certificates and a high interest savings account.

3. ACCOUNTS RECEIVABLE

	2020	2019
Trade and other	\$ 8,790,394	\$ 10,535,966
Taxes and grants in place of taxes	5,162,470	3,516,761
Goods and Services Tax	1,818,193	1,554,755
Local improvement taxes	1,027,784	1,065,570
Oil well drilling	808,006	2,394,906
	<u>17,606,847</u>	<u>19,067,958</u>
Less: Allowance for doubtful accounts	<u>(3,649,622)</u>	<u>(2,624,997)</u>
	<u>\$ 13,957,225</u>	<u>\$ 16,442,961</u>

Greenview passed Bylaw 07-534 authorizing Council to provide for a local improvement to install a water / wastewater line and lift station for the Creek Crossing Subdivision. The total cost of the local improvement was \$1,400,000, is repayable in 30 annual installments of \$92,164 including interest at a fixed rate of 5.152% per annum maturing September 2037.

4. LOANS RECEIVABLE

	2020	2019
Town of Valleyview	\$ 36,388	\$ 71,905
Heart River Housing	-	56,762
Other	-	14,638
	<u>\$ 36,388</u>	<u>\$ 143,305</u>

Greenview passed a Bylaw 10-625 authorizing Council to loan \$1,000,000 to Heart River Housing for the purposes of lodge expansion and renovation projects at the Red Willow Lodge in the Town of Valleyview. The loan was advanced during 2010, is unsecured, is repayable in 20 semi-annual installments of \$29,952 including interest at a fixed rate of 2.00% per annum maturing April 14, 2020.

Per an Agreement dated December 14, 2006 Greenview loaned \$531,769 to the Town of Valleyview for the purposes of the Town of Valleyview's contribution toward the Valleyview Regional Emergency Services Complex. The loan is unsecured, is repayable in 20 semi-annual installments of \$37,872 including interest at a fixed rate of 0.05% above a five-year Guaranteed Investment Certificate (adjusted January 2007, 2012, 2017, and 2022) per annum maturing December 31, 2022.

MD OF GREENVIEW NO. 16
Notes to Financial Statements
For the Year Ended December 31, 2020

5. INVESTMENTS

	2020	2019
Cash and money market funds	\$ 1,942,407	\$ 446,881
Fixed Income		
Government and corporate bonds	63,658,920	66,547,424
Guaranteed Investment Certificates	60,060,330	55,032,330
	123,719,250	121,579,754
Other	4,950	5,097
	\$125,666,607	\$122,031,732

Guaranteed Investment Certificates bear interest at rates between 0.80% - 2.30% per annum and mature at dates between March 2021 - September 2023. Government and corporate bonds bear interest at rates between 2.33% - 9.60% per annum mature between December 2023 - October 2029. The market value of the government and corporate bonds at December 31, 2020 was \$68,128,480 (2019 - \$68,211,199).

6. DEFERRED REVENUE

Deferred revenue consists of the following grant funding which has been restricted by third parties for a specified purpose. These amounts are recognized as revenue in the period in which the related costs are incurred.

	Opening	Receipts	Revenue	Ending
Municipal Sustainability Initiative	\$ 2,841,447	\$ 6,029,923	\$ (7,632,753)	\$ 1,238,617
Federal Gas Tax Fund	-	1,001,586	-	1,001,586
Municipal Stimulus Program	-	450,000	(115,000)	335,000
Alberta Economic Development and Trade Grant	232,028	-	-	232,028
Grande Cache Mini-Bus Society	185,423	-	-	185,423
Alberta Municipal Water/Wastewater Partnership	1,125,022	-	(1,125,022)	-
Greenview Regional Multiplex - Sponsorships	243,000	-	(81,000)	162,000
Greenview Regional Multiplex - Furniture & Equipment Fund	-	105,085	-	105,085
Other	45,744	-	(33,047)	12,697
	\$ 4,672,664	\$ 7,586,594	\$ (8,986,822)	\$ 3,272,436

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Notes to Financial Statements
For the Year Ended December 31, 2020

7. LONG-TERM DEBT

	<u>2020</u>	<u>2019</u>
Government of Alberta debentures bearing interest at 4.964% per annum maturing in 2037.	\$ 1,027,784	\$ 1,065,571
Government of Alberta debentures bearing interest at 4.047% per annum maturing in 2025.	839,988	1,006,963
Government of Alberta debentures bearing interest at 4.006% per annum maturing in 2025.	838,445	1,005,302
Government of Alberta debentures bearing interest at 6.750% per annum maturing in 2022.	138,144	200,735
	<u>\$ 2,844,361</u>	<u>\$ 3,278,571</u>

Principal and interest payments are due as follows:

	Principal	Interest	Total
2021	\$ 453,910	\$ 123,979	\$ 577,889
2022	474,545	103,344	577,889
2023	420,016	81,731	501,747
2024	437,518	64,229	501,747
2025	249,989	45,994	295,983
Thereafter	808,383	274,237	1,082,620
	<u>\$ 2,844,361</u>	<u>\$ 693,514</u>	<u>\$ 3,537,875</u>

Greenview's total cash payments for interest in 2020 were \$143,679 (2019 - \$162,491).

8. DEBT LIMITS

Section 276(2) of the *Municipal Government Act* requires that debt and debt limits, as defined by Alberta Regulation 255/00, for the Greenview be disclosed as follows:

	<u>2020</u>	<u>2019</u>
Total debt limit	\$179,574,111	\$174,496,280
Total debt	(2,844,361)	(3,278,571)
Amount of debt limit unused	<u>\$176,729,750</u>	<u>\$171,217,709</u>
Service on debt limit	\$ 29,929,019	\$ 29,082,713
Service on debt	(577,889)	(577,889)
Amount of debt servicing limit unused	<u>\$ 29,351,130</u>	<u>\$ 28,504,824</u>

The debt limit is calculated at 1.5 times revenue of Greenview (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limits requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities, which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of Greenview. Rather, the financial statements must be interpreted as a whole.

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Notes to Financial Statements
For the Year Ended December 31, 2020

9. TANGIBLE CAPITAL ASSETS

	Net Book Value	
	2020	2019
Engineered structures		
Roadways	\$ 117,446,469	\$ 119,874,927
Water systems	54,361,498	43,297,517
Bridges	27,955,025	28,346,579
Wastewater systems	25,968,173	19,978,213
Recreation	4,270,154	4,774,812
Solid waste systems	2,825,894	2,900,097
Cemetery	72,827	76,756
	232,900,040	219,248,901
Buildings	114,258,527	104,857,010
Machinery, equipment, and furnishings	13,646,509	14,394,950
Land	13,074,596	13,230,992
Vehicles	6,329,849	6,735,013
	\$ 380,209,521	\$ 358,466,866

	Cost Beginning of Year	Additions	Disposals	Transfers	Cost End of Year
Engineering structures					
Roadways	\$ 470,866,894	\$ 17,605,788	\$ (56,419)	\$ (4,710,988)	\$ 483,705,275
Water	46,189,431	11,971,028	-	-	58,160,459
Bridges	50,968,918	751,699	(89,673)	-	51,630,944
Wastewater	21,838,247	2,916,396	-	4,710,988	29,465,631
Recreation	5,266,050	79,322	-	-	5,345,372
Solid waste	3,550,787	136,689	-	-	3,687,476
Cemetery	80,684	-	-	-	80,684
	598,761,011	33,460,922	(146,092)	-	632,075,841
Buildings	114,472,278	12,854,580	(475,000)	-	126,851,858
Machinery, equipment, and furnishings	22,279,494	1,592,330	(988,502)	-	22,883,322
Vehicles	16,589,469	1,217,493	(263,000)	-	17,543,962
Land and land improvement	13,391,611	-	-	-	13,391,611
	\$ 765,493,863	\$ 49,125,325	\$ (1,872,594)	\$ -	\$ 812,746,594

MD OF GREENVIEW NO. 16
Notes to Financial Statements
For the Year Ended December 31, 2020

9. TANGIBLE CAPITAL ASSETS (CONT'D)

	Accumulated Amortization Beginning of Year	Current Amortization	Disposals	Transfers	Accumulated Amortization End of Year
Engineered structures					
Roadways	\$ 350,991,967	\$ 16,133,513	\$ -	\$ (866,674)	\$ 366,258,806
Bridges	22,622,339	1,053,580	-	-	23,675,919
Water	2,891,914	907,047	-	-	3,798,961
Wastewater	1,860,034	770,750	-	866,674	3,497,458
Recreation	491,238	583,980	-	-	1,075,218
Solid waste	650,690	210,892	-	-	861,582
Cemetery	3,928	3,929	-	-	7,857
	379,512,110	19,663,691	-	-	399,175,801
Buildings	9,615,268	3,035,063	(57,000)	-	12,593,331
Vehicles	9,854,456	1,582,547	(222,890)	-	11,214,113
Machinery, equipment, and furnishings	7,884,544	2,193,553	(841,284)	-	9,236,813
Land and land improvement	160,619	156,396	-	-	317,015
	<u>\$ 407,026,997</u>	<u>\$ 26,631,250</u>	<u>\$ (1,121,174)</u>	<u>\$ -</u>	<u>\$ 432,537,073</u>

Tangible capital assets include \$40,605,467 (2019 - \$41,583,222) of work in progress that is not being amortized as these projects are currently not completed.

10. INVENTORIES FOR CONSUMPTION

	2020	2019
Sand and gravel	\$ 8,228,682	\$ 7,806,645
Parts, chemicals, and other	879,046	6,787
	<u>\$ 9,107,728</u>	<u>\$ 7,813,432</u>

11. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

Alberta environmental law requires closure and post-closure care of landfill sites, which includes final covering and landscaping, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspections and maintenance.

Greenview recognizes the anticipated costs for the Hamlet of Grande Cache landfill closure and post-closure liability on an annual basis. The estimated liability for these costs is based on estimates and assumptions related to future events and costs using information currently available to management and is recognized on a cumulative basis as the landfill capacity is utilized. Future events may result in significant changes to the estimated total costs, capacity used or total capacity and the estimated liability.

The accrued liability for closure and post-closure of the landfill is recognized over the life of the cells, using the net present value of the total estimated costs of closure and post-closure care, prorated on the basis of the current capacity in metric tonnes utilized over the total estimated capacity of the site. Estimated total costs equal the sum of the discounted future cash flows for closure and post-closure care activities discounted at the current average long-term borrowing rate of 4.0%, and using inflation rates of 3.0%.

The following summarizes the total net present value of the estimated total costs for closure and post-closure care:

	2020	2019
Estimated closure costs	\$ 4,850,000	\$ 3,149,670
Estimated post-closure costs	1,150,000	581,306
Estimated total liability	6,000,000	3,730,976
Estimated capacity remaining	-%	6.2%
Portion of total liability remaining to be recognized	-	230,976
Estimated capacity used	100.0%	93.8%
Accrued liability portion	\$ (6,000,000)	(3,500,000)

Greenview is planning on closing the Hamlet of Grande Cache landfill and developing a waste transfer site within the existing landfill site. It is anticipated that post-closure care will be required for a period of twenty-five years once the landfill has been closed.

12. ACCUMULATED SURPLUS

	2020	2019
Unrestricted surplus	\$ 4,129,294	\$ 3,170,126
Restricted surplus (Note 13)	179,133,805	202,838,785
Equity in tangible capital assets (Schedule 1)	378,392,944	356,253,865
	\$561,656,043	\$562,262,776

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Notes to Financial Statements
For the Year Ended December 31, 2020

13. RESERVES

	2020	2019
Road infrastructure	\$ 71,410,896	\$ 72,651,583
Project carry forward	31,316,720	43,057,804
Economic development	15,000,000	15,000,000
Facilities	12,745,926	14,619,077
Bridge replacement	11,304,736	11,002,263
Equipment and vehicle fleet	7,726,221	7,226,594
Water	5,177,187	7,940,354
Wastewater	4,827,526	8,983,990
Fire apparatuses	4,255,010	4,036,117
Operating contingency	3,772,682	7,237,280
Recreation	3,032,586	2,360,820
Disaster response	3,000,000	3,532,574
Fire facilities	2,710,021	2,272,235
Gravel pit reclamation	1,347,447	1,347,447
Solid waste reclamation	966,847	1,030,647
Grovedale daycare	440,000	440,000
Greenview Family and Community Support Services	100,000	100,000
	\$179,133,805	\$202,838,785

Greenview will plan for and provide specific purpose reserve that support a viable and financially sustainable municipality. Reserves have been established and approved as follows:

(a) Road Infrastructure

Provides funds for future years' road construction budget, based on approved capital plans. This reserve will contain an additional amount of \$2 million to allow Greenview the ability to react to positive or negative pricing shifts.

(c) Project Carry Forward

Holds all funds for projects that have been carried over from one year to a subsequent year. This reserve will be funded as needed in any given year.

(b) Economic Development

Funds for municipal development projects (property development, etc.) as depicted in the long-term capital plan

(h) Facilities

Provides funds for replacement or construction costs for Greenview facilities such as offices and maintenance shops. Facilities relating to utilities and emergency services will be funded through their own respective reserve funds. Annual contributions based on depreciation.

(b) Bridge Replacement

Funds future replacement costs of bridges. Annual contribution based on life cycle costing of bridges.

(j) Wastewater

Provides funds for replacement or construction of wastewater collection systems and networks within Greenview. Annual contributions based on depreciation.

(k) Water

Provides funds for replacement or construction of water distribution systems and networks within Greenview.

13. RESERVES (CONT'D)

(d) Equipment and Vehicle Fleet

Ensures funds for replacing equipment and vehicles as per Council's replacement policy. The annual contribution based on yearly depreciation of vehicles.

(o) Operating Contingency

Provides funds to supply Greenview with emergency operating funds in case of a large scale disaster or other disruption to funding sources.

(g) Fire Apparatuses

Provides funds for the purchase of Greenview's fire apparatuses for Greenview fire stations and Greenview's share of apparatus purchases for the towns of Valleyview and Fox Creek.

(e) Disaster Response

Provides funds for emergency funding for Greenview to deal with disasters when they occur, with minimal impact to approved Operating and Capital Budgets.

(l) Recreation

Provides funds for construction or replacement of Greenview's recreation facilities (campgrounds, multiplexes, etc.). Annualized contributions based on depreciation for existing facilities. Annual contribution to be used for development of future facilities

(f) Fire Facilities

Provides funds for Greenview's share of replacement or construction of fire halls and other fire infrastructure (dry hydrants, etc.) within Greenview and the towns of Fox Creek and Valleyview.

(n) Gravel Pit Reclamation

Used for the environmental reclamation of gravel pits and as the source and return of deposits and guarantees regarding reclamation.

(i) Solid Waste Reclamation

Provides funds for post closure liability costs for Greenview waste sites such as transfer stations. Post closure liability costs for regional landfills will be budgeted for by Greenview Regional Solid Waste Management Commission.

(p) Grovedale Daycare

Provides funds to be used for the establishment of a daycare facility in Grovedale.

(m) Greenview Family and Community Support Services (FCSS)

Used to set aside FCSS program surpluses from the FCSS programs operated by Greenview on behalf of the Town of Valleyview. The Greenview FCSS Board shall determine the use of funds in this reserve.

14. CREDIT FACILITY

Greenview has access to a municipal revolving loan credit facility with a maximum of \$5,000,000 bearing interest at rate 3.20% per annum. No amounts were outstanding on the revolving loan at December 31, 2020 or 2019.

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Notes to Financial Statements
For the Year Ended December 31, 2020

15. SALARIES AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for elected municipal officials, Chief Administrative Officer, and designated officers as required by Alberta Regulation 313/2000 is as follows:

	Salary	Benefits	2020 Total	2019 Total
Elected Officials:				
Ward 5	\$ 77,404	\$ 6,494	\$ 83,898	\$ 74,055
Ward 1	64,094	9,230	73,324	66,300
Ward 2	59,907	9,302	69,209	69,194
Ward 3	59,307	8,741	68,048	53,397
Ward 4	61,978	8,787	70,765	74,319
Ward 6	64,265	11,204	75,469	80,901
Ward 7	61,573	10,933	72,506	79,553
Ward 8	63,126	7,300	70,426	72,708
Division 9 (Didow)	61,566	9,965	71,531	77,993
Division 9 (Olsen)	65,280	11,635	76,915	82,744
Total for Elected Officials:	\$ 638,500	\$ 93,591	\$ 732,091	\$ 731,164
Chief Administrative Officer (four months)	\$ -	\$ -	\$ -	\$ 132,457
Chief Administrative Officer (2019 - nine months)	259,343	39,493	298,836	193,608
	\$ 259,343	\$ 39,493	\$ 298,836	\$ 326,065
Designated Officers (3)	\$ 883,267	\$ 26,831	\$ 910,098	\$ 752,423

Salary includes base pay, bonuses, overtime, lump sum payments, honoraria and any other direct cash remuneration.

Benefits include:

- contributions made by Greenview on behalf of the councillors or officers, such as payments in respect of pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, professional memberships and tuition, and
- Greenview's share of the costs of taxable benefits received by the councillors or officers, such as special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.

16. CONTINGENCIES

Greenview is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, Greenview could become liable for its proportionate share of any claim losses in excess of the funds held by the program. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

17. LOCAL AUTHORITIES PENSION PLAN

Employees of Greenview participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the *Public Sector Pension Plans Act*. The LAPP is financed by employer and employee contributions and investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenditures in the year in which they become due.

Greenview is required to make current service contributions to the LAPP of 9.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 13.84% on pensionable earnings above this amount. Employees of Greenview are required to make current service contributions of 8.39% of pensionable earnings up to the year's maximum pensionable earnings and 12.84% on pensionable earnings above this amount.

Total current service contributions by Greenview to the LAPP in 2020 were \$1,475,100 (2019 - \$1,357,195). Total current service contributions by the employees of Greenview to the LAPP in 2020 were \$1,335,547 (2019 - \$1,228,594).

At December 31, 2019 the Plan disclosed an actuarial surplus of \$7.913 billion (2018 - \$3.469 billion).

18. FINANCIAL INSTRUMENTS

Greenview's financial instruments consist of cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities, and long-term debt. It is management's opinion that Greenview is not exposed to significant interest, or currency risk arising from these financial instruments.

Greenview is exposed to credit risk with respect to receivables. Credit risk arises from the possibility that customers may experience financial difficulty and be unable to fulfill their obligations. Greenview is exposed to the credit risk associated with fluctuations in the oil and gas industry as a significant portion of the property taxes outstanding at December 31 relate to linear property and are receivable from companies in the oil and gas industry. The large number and diversity of customers minimizes Greenview's credit risk.

Unless otherwise noted, the carrying value of the financial instruments approximates their fair value.

19. CONTRACTUAL OBLIGATIONS

(a) Aggregate Supply Agreement

Greenview entered into an Agreement on April 1, 2013 which requires Greenview to purchase a minimum of 50,000 tonnes of aggregate at a price of \$3.00 per tonne during the first ten years of the agreement ending December 2023.

(b) Alberta Transportation - Twinning of Highway 40

Greenview entered into an Agreement dated August 19, 2020 which requires Greenview to share the costs to twin Highway 40 for a distance of approximately 20 kilometres (the "Project"). The Province of Alberta will contribute 50% of the total incurred Project costs and be responsible for any cost overruns above the Project cost estimated to be \$120 million. Greenview is required to contribute 50% of the total incurred Project costs, to a maximum of \$60 million. During 2020 Greenview made a contribution of \$20 million.

The County of Grande Prairie No.1 has agreed to contribute \$10 million to assist with Greenview's contribution of the Project.

20. SEGMENTED INFORMATION

Greenview provides a wide range of services to its citizens. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in *Note 1*. For additional information see the Schedule of Segment Disclosure (*Schedule 4 & 4*).

21. TRUST FUNDS

Trust assets are not owned by Greenview, trust assets and liabilities have been excluded from the financial statements. The following table provides a summary of the transactions during the year:

	Opening	Receipts	Disbursements	Ending
Greenview Regional Multiplex	\$ -	\$ 324,158	\$ -	\$ 324,158
Tax sale proceeds	65,044	6,005	-	71,049
Alberta Energy Regulator	-	31,673	-	31,673
	<u>\$ 65,044</u>	<u>\$ 361,836</u>	<u>\$ -</u>	<u>\$ 426,880</u>

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Notes to Financial Statements
For the Year Ended December 31, 2020

22. BUDGET FIGURES

The 2020 budget data presented in these financial statements is based on the operating and capital budgets approved by Council on March 25, 2019. The chart below reconciles the approved financial plan to the figures reported in these financial statements.

	2020 (Budget)	2020 (Actual)
Annual surplus (deficit)	\$ (28,382,992)	\$ (606,733)
Add back:		
Amortization expense	-	26,631,250
Net transfers from (to) reserves	111,126,615	23,704,980
Deduct:		
Principal debt repayments	(37,788)	(434,210)
Purchase of tangible capital assets	(81,126,615)	(49,125,325)
	<u>\$ 1,579,220</u>	<u>\$ 169,962</u>

23. RESTRUCTURING

(a) Greenview Regional Multiplex (the "Multiplex")

Greenview and Town of Valleyview (the "Town") pursuant to the 2014 Agreement jointly own the Multiplex. The amounts allocated to Greenview and Town for the construction of the Multiplex and the acquisition of the Multiplex assets (the capital amounts) is as follows:

- Greenview: \$29,183,350
- The Town: \$5,856,830

The entire capital amounts were made by Greenview. The Town has paid \$2,928,415 (50%) of its portion to Greenview and owes Greenview the remainder \$2,928,415 in respect to its portion of the capital payments as of December 31, 2019.

On January 1, 2020, Greenview and the Town have agreed that effective as of January 1, 2020, Greenview acquired the Town's interest and operate the Multiplex on a go forward basis, in exchange for Greenview forgiving and cancelling the outstanding capital payments.

The carrying value of the Town's interest in the Multiplex and the assets of the Multiplex acquired by Greenview was \$2,752,710.

23. RESTRUCTURING (CONT'D)

(b) Town of Grande Cache Dissolution

Pursuant to a Government of Alberta Order in Council the Town of Grande Cache (the "Town") was dissolved effective December 31, 2018. The Town's assets, liabilities, and accumulated surplus as at December 31, 2018 were transferred to Greenview effective January 1, 2019 as follows:

FINANCIAL ASSETS	
Cash	\$ 2,940,710
Accounts receivable	4,310,973
Land held for resale	704,000
Investments	84
	<u>7,955,767</u>
LIABILITIES	
Accounts payable and accrued liabilities	1,279,430
Deposits	167,259
Deferred revenue	433,183
Landfill closure and post-closure liability	3,454,607
Long-term debt	2,611,932
	<u>7,946,411</u>
NET FINANCIAL ASSETS	<u>9,356</u>
NON-FINANCIAL ASSETS	
Inventory for consumption	6,786
Prepays	7,425
Tangible capital assets	<u>54,573,720</u>
ACCUMULATED SURPLUS	<u>\$ 54,597,287</u>

24. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council.

25. UNCERTAINTY DUE TO COVID-19

On March 11, 2020, the World Health Organization declared a global pandemic which has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused significant disruptions to businesses, governments, and other organizations resulting in an economic slow-down and increased volatility. Governments have responded with significant monetary and fiscal interventions designed to stabilize economic conditions.

While COVID-19 has not significantly impacted Greenview's operations or financial condition to date, the rapidly evolving event, including health and safety conditions, economic environment and resulting government measures, creates a high level of uncertainty and risk that may have a financial impact on Greenview's activities, operations and financial condition in the future.
